

K-4



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Designation of a Member of the City Council to Participate in the Rating Agency Presentation for the Wastewater System Financing

MEETING DATE: October 3, 2007

PREPARED BY: City Manager

RECOMMENDED ACTION: Select a Councilmember to participate in the presentation to rating agencies (Fitch Ratings and Standard & Poor's) on October 12th in San Francisco.

BACKGROUND INFORMATION: The City is progressing towards the issuance of debt obligations to finance improvements to its wastewater system. In order to judge the creditworthiness of the proposed obligations, it is customary for investors to give considerable weight to rating agencies who express their opinion concerning an agency's creditworthiness by assigning a rating. Generally, the higher the rating (AAA, AA, etc.) the lower the interest rate. **Also**, bonds may be insured and the price for bond insurance is typically determined by the underlying rating.

Lodi is scheduled to make a presentation to Fitch and Standard & Poor's on October 12th in San Francisco. Staff recommends that the Council designate a member to participate in the rating agency presentation. In addition to the commitment of one day, it is anticipated that one or two rehearsal sessions will be required.

FISCAL IMPACT: None related directly to the rating agency presentation. However, the outcome of the presentation could play a role in determining the eventual interest rate paid by the City.

FUNDING: Not applicable

Blair King,

APPROVED: 
Blair King, City Manager